



SIERRA CLUB  
CALIFORNIA

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Eileen Wenger Tutt, Special Advisor to the Secretary  
California Environmental Protection Agency  
1001 I Street, P.O. Box 2815  
Sacramento, CA 95812-2815

Dear Ms. Tutt:

Sierra Club California thanks the Climate Action Team for all the hard work and careful thought that went into the draft report. **We urge the Governor and the Legislature to accept the report and to move quickly to adopt its overarching recommendations. Furthermore, we urge the Governor and the Legislature to adopt a firm cap and concrete programs to reduce greenhouse gas emissions through enforceable means like laws and regulations.**

The time for action is now. Further research is always wise, but we know enough now to know that we need to act. The science tells us we have no choice but to reduce greenhouse gas emissions. We have tried for years to move the federal government to take action, but the Bush Administration continues to stick its head in the sand. California can not afford to wait for Washington, D.C., to free itself from the grip of polluter lobbyists. Now is the time to invest in solutions, such as the policies the Climate Action Team has put forth in its draft report.

Our state has a lot to lose from inaction on global warming. For example, the state's Scenario Analysis identifies climate-sensitive industries, including tourism, agriculture and forestry, that are particularly vulnerable to global warming, and that would suffer immensely if we did nothing. Tourism, the fifth-largest contributor to the gross state product, annually generates \$75 billion for the state economy and supports 1 million jobs.

Three separate and independent economic analyses show that the state's proposed strategies for meeting the Governor's targets would have positive economic impacts. These analyses are all very conservative. They do not measure the important and sizeable co-benefits – such as public health, quality of life and cleaner environment – of implementing these emissions reduction strategies. They do not measure the benefits associated with less reliance on imported fuel, or the benefits of lower unemployment rates. They do not include a value for reduced global warming, or an analysis of the increase in in-state jobs associated with the production of clean-tech goods that are exported out of state. Critics like to emphasize the cost of these programs, but the benefits of reducing global warming pollution far outweigh the costs.

California needs strong regulatory policy signals to spur innovations. As Edward Rubin's work has shown, tough environmental standards stimulate technological innovation. An



enforceable limit on global warming pollution will unleash our world-famous innovative spirit and enable the state to lead the clean energy technology revolution. We have a window of opportunity to sell these clean technologies to the rest of the world's economies that already have adopted climate policies. The sooner we act, the better able we will be to compete in this emerging market.

The cost of doing nothing is far greater than the cost of implementing these strategies. Doing nothing is the most expensive course we can take. Industry has a history of exaggerating the cost of new policies or regulation. We have seen this pattern repeated over and over again right here in California. For example, in 1975, the auto industry claimed catalytic converters would cost twice what they actually cost.

In finalizing the report, we ask you to consider the following points:

**The final plan should include the recommended public goods charge on petroleum.** Backing off on that recommendation would cast doubt on the Administration's willingness to reduce the excessive petroleum use that is the source of much of our greenhouse gas problem. Implementing global warming solutions will require some additional funding, not for government bureaucrats, but for public purposes that will save money in the long run. Levying a fee on petroleum use is definitely an appropriate way to fund programs to mitigate some of the damage caused by our over-reliance on oil.

**While planning to reduce global warming pollution, we should also seek ways to further reduce air pollutants like smog and particulates.** The Governor has promised to cut air pollution by 50%, and many measures, like smart growth and clean energy requirements, can reduce both greenhouse gases and air pollution simultaneously.

**Smart land use and improving transportation efficiency account for a large fraction of the emission reductions foreseen by the report, but the Business, Transportation and Housing Agency has provided very few specifics on how those programs will be implemented.** We eagerly await details on these very important measures, and we urge the Governor and the Legislature to make sure that our infrastructure planning serves the goal of reducing greenhouse gas emissions.

**Mandatory reporting of greenhouse gas emissions is essential to meeting the targets, and a government agency should be in charge of the emission reports.**

**The state should move very cautiously in considering any kind of pollution trading program.** As the RECLAIM experience in the South Coast has shown, pollution trading is fraught with the potential for fraud and gaming.

Respectfully Submitted,

*Bill Magavern*

Bill Magavern  
Senior Representative